

## **Committee on Trade and Environment**

### **Status**

The Committee on Trade and Environment (CTE) was created by the WTO General Council on January 31, 1995 pursuant to the Marrakesh Ministerial Decision on Trade and Environment. The mandate of the CTE is to make appropriate recommendations to the Ministerial Conference as to whether, and if so what, changes are needed in the rules of the multilateral trading system to foster positive interaction between trade and environment measures and to avoid protectionist measures.

### **Assessment of the First Five Years of Operation**

The CTE has played an important role in bringing together government officials from trade and environment ministries to build a better understanding of the complex links between trade and environment. Among other things, this has helped to address the serious problem of lack of coordination between trade and environment officials in many governments. In addition, the CTE has produced useful recommendations calling for transparency in ecolabeling and launching the creation of a data base of all environmental measures that have been notified under WTO transparency rules.

The CTE has also engaged in important analytical work, helping to identify areas where trade liberalization holds particular potential for yielding environmental benefits. Win-win opportunities that have been identified thus far include the elimination or reduction of agriculture subsidies that promote unsustainable farming practices and fisheries subsidies that contribute to over fishing, and the elimination of barriers to environmental goods and services.

### **Major Issues in 1999**

The WTO Committee on Trade and Environment met three times during 1999, pursuant to its mandate. The United States contributed to this process by, *inter alia*, working to build a consensus that both important trade and environmental benefits can be achieved by addressing agricultural subsidies, fisheries subsidies that contribute to overfishing and the liberalization of trade in environmental goods and services. *Multilateral Environmental Agreements (MEAs)*: Inclusion of trade measures in MEAs has been and will continue to be essential to meeting the objectives of certain agreements but may raise questions with respect to WTO obligations. Over the course of the year, the CTE helped strengthen WTO Members' understanding of MEAs and trade by holding the third in a series of meetings with representatives from a number of MEA Secretariats at which those representatives briefed the committee members on recent developments in their respective agreements. There continue to be sharp differences of view within the CTE on whether there is a need to clarify WTO rules in this area. The United States holds the view that the WTO broadly accommodates trade measures in MEAs.

*Market Access*: Work in this area continued to focus on the environmental implications of reducing or eliminating trade-distorting measures. There is a broad degree of consensus in the Committee that trade liberalization, in conjunction with appropriate environmental policies, can yield environmental benefits. Discussion continued over the course of the year on the potential for such a "double dividend" in the agriculture sector. The Committee also discussed in depth the potential environmental benefits of reducing or eliminating fisheries subsidies, drawing on a previously tabled paper on this subject by the United States. Further work in the area was taken up at the Third Ministerial. Discussion also took place on the benefits of improving market access for environmental services and goods. The Committee also discussed the environmental implications of trade liberalization in other sectors, including forestry and energy.

*TRIPS:* The Committee had a brief discussion of the relationship between the TRIPS Agreement and the environment. As in the past, a few countries advanced arguments for consideration of changes to the TRIPS Agreement to address “contradictions” between the WTO and the Convention on Biological Diversity. The United States once again made clear its view that there are no contradictions between the WTO and the Convention on Biological Diversity.

*Relations with NGOs:* The United States, joined by several other Members, emphasized the need for further work to develop adequate mechanisms for involving NGOs in the work of the WTO and adequate public access to documents. Following through on this work, in the Third Ministerial process the United States proposed that the WTO General Council’s 1996 agreement on Guidelines for Relations with NGOs be reviewed and substantially improved, and the United States continues to lead efforts at enhancing the WTO’s transparency, including derestriction of documents.